



DEPUTY SECRETARY OF DEFENSE
1010 DEFENSE PENTAGON
WASHINGTON, DC 20301-1010

JUL 02 2015

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Creation of New 'Point of Presence' Defense Innovation Unit Experimental

The Department of Defense (DoD) has a long history of technological breakthroughs and innovations originating from within the Department. In order to sustain technology superiority, the Department must take advantage of the rapid evolution of emerging commercial technologies that, when integrated with military systems and novel concepts of operation, will be a source of battlefield advantage.

While the Department is beginning to focus on innovation in the commercial technology sector, a more concerted effort is needed. I direct the Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(AT&L)) to establish a new 'point of presence,' the Defense Innovation Unit Experimental (DIUx), under the Assistant Secretary of Defense for Research and Engineering, to ensure continual focus of our attention at the forefront of innovation.

The DIUx will serve as a signature part of the Defense Innovation Initiative and embody the approach to the future force articulated by Secretary Carter, who aspires to make DoD more open to the infusion of non-traditional technical ideas and talent. The DIUx will serve as the hub for the Department's core initiative to increase DoD's communication with, knowledge of, and access to innovating, leading edge technologies from high-tech, start-up companies and entrepreneurs. The mission of the Department's DIUx will be to strengthen existing relationships and build new ones; scout for breakthrough and emerging technologies; and function as a local interface node for the Department.

I direct the Deputy Chief Management Officer to take appropriate action to establish six manpower billets on the Office of the Secretary of Defense (OSD) authoritative manpower document as follows: one SES level Civilian; one Reserve General/Flag Officer, five GS civilians, and five Reserve officers; and to provide the appropriate personnel support for filling them as quickly as possible. Further, I direct that the Comptroller provide \$1.75 million in funding beginning in FY 2015, and \$5 million in FY 2016-FY 2019, to cover all pay and mission related requirements. The initial organization will be reviewed during the President's Budget Request for potential permanency and could result in identifying manpower offsets from within the OSD staff.



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